



Bryce Yokomizo
Director

June 3, 2003

Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**RECOMMENDATION TO APPROVE THE FIVE-SIGNATURE LETTER
TO THE COUNTY EMPLOYEE CREDIT UNIONS FOR ELECTRONIC BENEFIT
TRANSFER
(ALL DISTRICTS - 3 VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

Send a five-signature letter to the County Employee Credit Unions listed on Enclosure A requesting their participation in the Electronic Benefit Transfer (EBT) network without imposing surcharges to our participants. Enclosed is a draft letter (Enclosure B).

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of the recommended action is to obtain your Board's approval for a five-signature letter to the County Employee Credit Unions. At the January 8, 2002 meeting with your Board, a motion was made instructing this Department to work in concert with the State to adequately prepare for the implementation of EBT for cash benefits participants with regard to accessibility and, to the extent possible, minimize the imposition of surcharges.

Given your Board's approval on May 20, 2003 to implement EBT for cash benefits, the Department has drafted a letter to the County Employee Credit Unions to request their participation in EBT without imposing a surcharge. Such a letter is appropriate as none of the County's Employees Credit Unions have yet signed up to participate in EBT; also most of them currently impose surcharges for the use of their automated teller machines.

Implementation of Strategic Plan Goals

Implementation of EBT for cash is consistent with the principles of Countywide Strategic Plan, Goal #1: Service Excellence for improving quality of service and organizational effectiveness. In addition, EBT is consistent with DPSS objectives for increasing the efficiency and effectiveness of departmental programs through expanded information technology and communications. EBT is part of the DPSS Business Automation Plan.

FISCAL IMPACT/FINANCING

There is no fiscal impact.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On May 20, 2003, your Board approved the recommendation that the County issue welfare cash benefits through the State's EBT system.

The development and implementation of a statewide electronic benefits transfer system for the delivery of Food Stamp benefits is mandated by Sections 10065 through 10077 of the Welfare and Institutions (W&I) Code. The W&I Code further states that any cash benefits provided to recipients under the Department's authority may be distributed through the EBT system as long as the recipient has reasonable access to his or her benefits.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

EBT will improve participant service, increase efficiency of benefits delivery and increase the Department's ability to detect fraud.

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CONCLUSION

The Executive Officer, Board of Supervisors, is requested to issue one (1) signed Board Letter to the Department of Public Social Services. Instruct the Executive Officer of the Board of Supervisors to prepare the letters to each County Employee Credit Union listed on Enclosure A.

Respectfully submitted,

Bryce Yokomizo, Director

BY:rm

Enclosures

c: Chief Administrative Officer
County Counsel

Enclosure A

COUNTY EMPLOYEE CREDIT UNIONS (CU)

<u>Name</u>	<u>Address</u>
LA Financial CU	224 N. Fair Oaks Avenue, Pasadena, CA 91103
Lockheed CU	2 North Lake Avenue, Ste 140, Pasadena, CA 91101
F&A Federal (Fire and Agriculture) CU	2625 Corporate Place, Monterey Park, CA 91754
First City CU	717 W. Temple Street, 4 th Floor, Los Angeles, CA 90012
Focus One Community CU	3825 N. Mission Road, Los Angeles, CA 90031
Harbor Employees CU	1644 A West Carson Street, Torrance, CA 90510
Southland CU	8545 E. Florence Avenue, Downey, CA 90240
Olive View Employees CU	14445 Olive View Drive, Sylmar, CA 91342
Public Works CU	900 S. Fremont Avenue, Alhambra, CA 91803
Rancho Federal CU	7860 Imperial Highway, Downey, CA 90242

Enclosure B

Dear County Employee Credit Union:

ELECTRONIC BENEFIT TRANSFER (EBT) IN LOS ANGELES COUNTY

The County of Los Angeles is changing the payment delivery system of welfare benefits to our participants. In keeping up with technology, beginning in late 2003, over 250,000 Food Stamp participants will use a debit card for the Statewide EBT system to make food purchases at food retailers accepting Food Stamps today. With the help of Credit Unions like yours, the EBT system will be expanded to electronically deliver cash benefits, as well, through a broad network of automated teller machine (ATM) locations and point-of-sale (POS) devices throughout California. The expansion to also include the issuance of cash benefits on EBT, however, is dependent on cash being accessible at a reasonable cost to our participants. It is our understanding that if you were a participant of the EBT network, you would impose surcharges of \$1.50 or greater per transaction.

Los Angeles County is committed to providing the best service possible to our residents. As your institution operates in Los Angeles County which will deliver cash benefits via EBT, especially in communities that are not well-served by ATM networks, you would be providing a great service to thousands of residents of these communities by making your ATMs accessible to our EBT cardholders at low or no surcharge.

Some of the benefits to County Employee Credit Unions participating in the success of EBT include:

- ! Financial reimbursement to retailers and ATM acquirers for all EBT transactions will be through the Automated Clearing House via their normal network settlement.
- ! The need to cash the CalWORKs, General Relief, Cash Assistance Payments for Immigrants and Refugee Cash Assistance warrants will be eliminated, as virtually all cash benefits will be electronically distributed.
- ! Lost funds due to stolen warrants will be nonexistent.
- ! Participants in EBT may be eligible for credit under the Services Test of the Community Reinvestment Act.
- ! Companies that honor EBT cards will receive favorable publicity and recognition from County, State and local officials and community leaders.

Finally, your participation in EBT provides our participants an opportunity to develop a relationship with County Employee Credit Unions, as many of our participants are becoming self-sufficient through employment. Our participants are potential customers for new deposit accounts, car loans, and mortgage loans with your Credit Union. Over 8,000 of our participants have enrolled in Direct Deposit since it became available to them in December 2001.

We believe that your participation at low or free costs to our participants will provide a first step in the familiarity and trust needed to begin a long-lasting relationship between County Employee Credit Unions and our participants.

A representative from Citicorp Electronic Financial Services, the contracted EBT vendor, will follow up with you. Thank you for your consideration.

Very truly yours,

YVONNE BRATHWAITE BURKE
CHAIR
SUPERVISOR, 2ND DISTRICT

GLORIA MOLINA
SUPERVISOR, 1ST DISTRICT

ZEV YAROSLAVSKY
SUPERVISOR, 3RD DISTRICT

DON KNABE
SUPERVISOR, 4TH DISTRICT

MICHAEL D. ANTONOVICH
SUPERVISOR, 5TH DISTRICT